

Before the
Federal Communications Commission
WASHINGTON, D.C. 20554

<i>In the Matters of</i>)	
)	
<i>Connect America Fund</i>)	WC Docket No. 10-90
)	
<i>A National Broadband Plan for Our Future</i>)	GN Docket No. 09-51
)	
<i>Establishing Just and Reasonable Rates for Local Exchange Carriers</i>)	WC Docket No. 07-135
)	
<i>High-Cost Universal Service Support</i>)	WC Docket No. 05-337
)	
<i>Developing an Unified Intercarrier Compensation Regime</i>)	CC Docket No. 01-92
)	
<i>Federal-State Joint Board on Universal Service</i>)	CC Docket No. 96-45
)	
<i>Lifeline and Link-Up</i>)	WC Docket No. 03-109

AFFIDAVIT OF DR. ROBERT LOUBE

I, **Robert Loube**, being duly sworn, states as follows:

1. My name is Robert Loube. My business address is 10601 Cavalier Drive, Silver Spring, MD 20901.
2. I have Ph.D in Economics from Michigan State University. I have fourteen years of experience working for the Indiana Utility Regulatory Commission, the Public Service Commission of the District of Columbia and the Federal Communications Commission. Since 2001, I have been an economic consultant for state commissions, state attorneys general, state consumer advocates and the U.S. Department of Justice on regulatory issues.
3. On September 9, 2011, the proponents of the so-called "America's Broadband Connectivity Plan" (ABC Plan) filed in the record a notice offering access to "the model the CostQuest

Associates Broadband Analysis Tool (“CQBAT”) that was used for the America’s Broadband Connectivity Plan . . . filing on July 29, 2011.¹

4. I signed the necessary acknowledgement and the separate Licensing Agreement and gained the access provided.
5. I have been asked by several State Regulatory Commissions and the State Staff of the Federal State Joint Board on Universal Service to validate the represented costs and revenue effects of implementing the ABC and Rural Carrier plan.
6. I have examined and studied the CQBAT documentation released last Friday.
7. I have determined that the documents that were provided are not the full model that will enable me *or anyone else* to validate the ABC plan and its financial effects on various states and carriers. Rather the model remains as a black box, operating behind a screen.
8. The analyst is only allowed to change a limited number of support variables such as the cost benchmark and a cost cap called the alternative technology cutoff and to aggregate the support results according to geographic (county or Census block group) or regulatory (price cap carriers or individual carriers) attributes.
9. The access provided to this “model” will not enable anyone to “price out” significant modifications to the ABC plan such as those which would remedy the deficiencies in the ABC plan set fourth in the comments of the National Association of Regulatory Utility Commissioners, the National Association of State Utility Consumer Advocates, the Rural Broadband Coalition, the Nebraska Rural Companies, the Maine Public Utilities Commission, the Vermont Public Service Board, the Kansas Corporation Commission, the Nebraska Public Service Commission, and the Pennsylvania Public Utilities Commission.
10. To validate the ABC plan’s output results and to model modifications to the plan I need, at a minimum, the following information:
 - a. **The source code and equations used to determine the cost for each census block.**

This information is required to understand how the model estimates the cost. Important attributes of cost models include how the model handles economies of scale and scope, and how the model allocates jointly used equipment among various services, such as between broadband, voice and special access. Without having an opportunity to review the source code and model equations, it is

¹ See September 9, 2011 Letter to FCC Secretary Marlene H. Dortch from Mike Liberman, Executive Director of Public Policy for AT&T, Michael D. Saperstein, Director of Federal Regulatory Affairs for Frontier, Jeffry S. Lanning, Assistant Vice President, Federal Regulatory Affairs for CenturyLink, Maggie McCready, Vice President, Federal Regulatory Verizon, Michael T. Skrivan, Vice President Regulatory, FairPoint Communications and Frank Schueneman, Vice President Regulatory Policy, Windstream. (Accessible in the FCC’s ECFS online at: <http://fjallfoss.fcc.gov/ecfs/document/view?id=7021708084>).

impossible to validate whether the model, with respect to these important attributes and all other attributes of the model, is determining a reasonable cost of providing service.

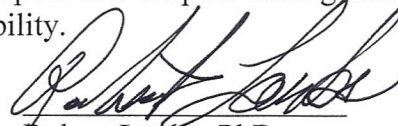
- b. The ability to determine the census blocks that model supports and the census blocks where the model has determined that another ISP has provided broadband service without support.**

This information is required to validate whether broadband service is availability to an overwhelming majority of the customers in the unsupported Census Blocks. In rural areas, it is possible for an ISP to provide broadband service to a small segment of the customers in a Census Block rather than the entire Census Block. With the Census Blocks identified, it would be possible for user to identify Census Blocks that might be candidates for support. The user would then have to be able to include those identified Census Blocks in a support calculation. However, because the user cannot open up the model there is no way for the user to make this type of very reasonable adjustment to the support calculation.

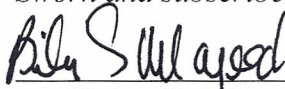
- c. The ability to change the network design to a) reduce the maximum copper loop length to 5000 feet or b) to adopt a fiber to the home network design**

This information is required in order to determine the additional (or perhaps reduction) in cost associated with meeting the statute requirement to provide comparable service in rural areas.

11. To fully vet the model requires full disclosure of the model, its inputs, outputs, and source code. Users must be allowed to download all of the information and run the model themselves.
12. The FCC should amend the proprietary order to assure that members of the Joint Board, its staff and its consultants can discuss the model, its inputs and outputs among themselves. Access to the model is of limited utility without this ability.


Robert Loube, PhD

Sworn and subscribed to before me this 19 day of September, 2011


Notary Public

My Commission expires:

